



**Military Traffic Management Command
Reengineered Program Contractor Survey Results
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Executive Summary

Military Traffic Management Command Reengineered Program Contractor Survey Results

Background

As part of a functional economic analysis, PricewaterhouseCoopers (PwC) was asked to develop and conduct a survey of the 41 contractors participating in the MTMC Reengineering Personal Property Program. PwC was instructed not to survey the three contractors placed in non-use status. The results of the survey will be used during the evaluation phase of the pilot program.

Structure of Survey

The survey focused on the 38 contractors currently moving household goods under the pilot program. The survey consisted of 20 questions developed by PricewaterhouseCoopers and MTMC. The questions examined contractor efficiencies under the pilot program, Pilot Transportation Operational Personal Property Standard System (PTOPS), contractor quarterly meetings, corporate business practices, contractors' internal processes, training, and recommendations for improvement of the program.

Surveys were faxed on October 21, 1999 and were due back to PwC on October 29, 1999. The survey is provided as Attachment A. After the surveys were received they were entered into an excel spreadsheet for further analysis.

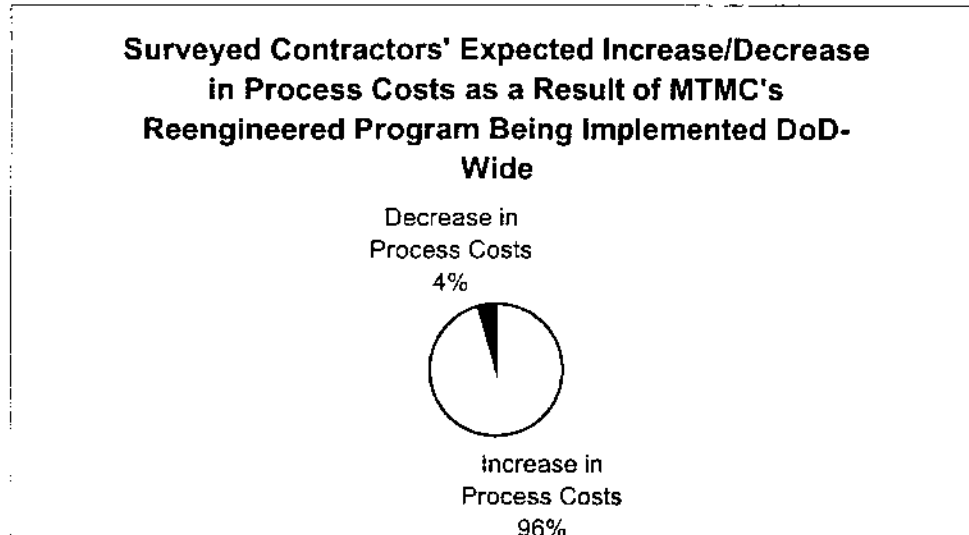
Of the 38 surveys sent out, 24 (63%) surveys were completed and returned.

Survey Results

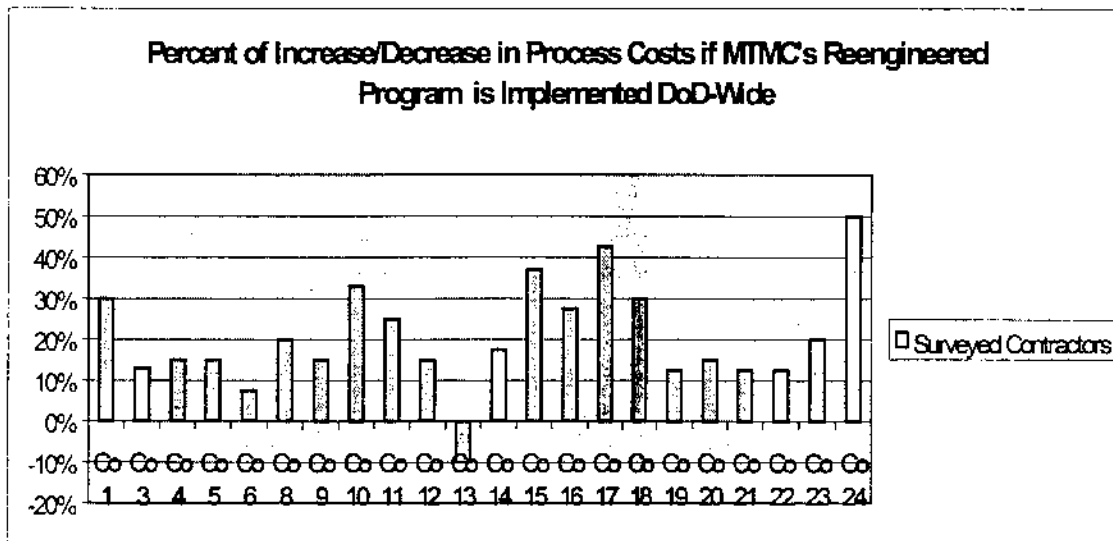
The survey results are portrayed in the paragraphs below. For the questions that requested free-form answers, a synopsis is provided.

Efficiencies Under the Pilot Program. Questions 1 through 3 on the survey examined what/if any efficiencies the contractors were experiencing/would experience under the pilot program. Question 1 asked several questions about streamlining and processing costs. When asked what aspects of their operations have been streamlined under the pilot program, contractors had several responses. For those contractors who felt their operation had been streamlined, the most common responses were claims, rate filing, move management, and personal contact with the Service member. Other contractors felt that they were noticing an increase in workload due to the pilot program. Areas that were not being streamlined included duplicate data entry, additional personnel requirements, additional equipment, system modifications, and billing. When asked if the program was implemented globally which areas do you expect additional streamlining, similar

responses were seen. When asked if they expect an increase or decrease in their process costs per shipment, 96 percent stated that they would have an increase in process costs. Several reasons were given for this increase, including more management required at the headquarters level rather than the local agents, and the contractors are required to enter the same data into their systems and PTOPS. The figure below depicted whether each company feels that they will have an increase or decrease in process costs.



The survey further asked what increase/decrease in process costs they expected, the respondents replied with a range of a 10 percent decrease to a 50 percent increase. The figure below depicts these results. For those companies who provided a range of increase/decrease, an average was taken of the range to determine the percent increase/decrease. The average increase/decrease among respondents was 21 percent.



Six out of 23 respondents (26%) felt that moving from the government bills of lading to task orders has streamlined their process. Sixteen out of 23 (70%) respondents feel that

they are saving time by not having to submit rates semi-annually. A common theme among the negative respondents was that the amount of time spent up front bidding on a FAR contract far outweighs the time spent submitting rates via the current automated processes. Another comment among the respondents is that because the program is not implemented worldwide, they are still submitting rates for the non-pilot regions, creating additional work rather than savings in this area.

PTOPS. Questions 4 through 6 examined how effective the contractors felt the Pilot Transportation Operational Personal Property Standard System (PTOPS) was in the pilot program. These questions also evaluated the effectiveness of accessorial service approval by the origin and destination Personal Property Shipping Offices (PPSOs). Of the contractors who answered this question, 17 out of 23 (74%) felt that PTOPS was an effective system. Several of the contractors who responded negatively to this question felt that parts of PTOPS were effective and the entire system could be effective with some modifications.

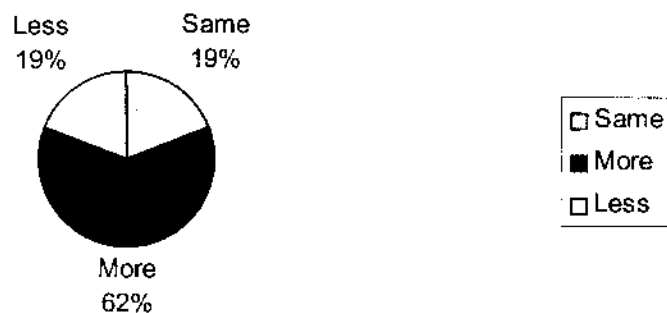
Thirteen out of 23 respondents (57%) felt that additional services at origin were approved in a timely manner, however, only 6 out of 23 respondents (26%) replied positively about destination services. Training and a lack of personnel authorized to perform certain functions were cited as the main reasons for the dissatisfaction. One contractor did comment that they were noticing improvements in the process.

Contractor Quarterly Meetings. Question 7 pertained to the effectiveness of the MTMC Contractor Quarterly Meetings. Twenty-one out of 23 respondents (91%) felt that the quarterly meetings were effective. Suggestions for improving the meetings were as follows: present carrier statistics, ensure representatives from all aspects are present (PPSOs, Parsifal, etc.), increase the number of meetings, and provide more training at the meetings.

Corporate Business Practices. MTMC's reengineered pilot program incorporated several corporate business practices. These practices include toll free telephone support, direct contact between the Service member and the contractor, payment of inconvenience claims by the contractor, payment of storage by the contractor, and the direct settlement of claims between the Service member and the contractor. Questions 8 through 14 on the survey addressed these corporate business practices and their implementation into the pilot program. Twenty-two out of 23 respondents (96%) felt that providing a toll-free telephone number is valuable to the Service member and PPSO. Twenty-four out of 24 (100%) respondents felt that having direct contact with the Service member makes the move more efficient. Questions 10 and 11 pertained to the payment of inconvenience claims. Eleven out of 24 respondents (46%) have paid inconvenience claims, ranging from 1 to 15 claims paid. Zero out of 24 respondents (100%) have denied inconvenience claims under the pilot program. Four out of 24 respondents (17%) have had to pay for storage in accordance with Attachment 4, Paragraph 2 of the PWS. The PWS states, "If the shipment is offered for delivery prior to the spread dates and delivery cannot be coordinated with the customer within the specified waiting times, SIT commences on the first workday of the spread" therefore the contractor is responsible for paying for the

storage until the first spread date. Of those respondents that have paid for storage, the range is from 1 to 3 occurrences. Questions 13 and 14 pertained to the direct settlement of claims between the contractor and Service member. When asked if settling claims directly with the Service member is more streamlined, 22 out of 24 respondents (92%) responded yes. Under the pilot program sixty-two percent felt they were paying more in claims, 19 percent felt they were paying less in claims, and 19 percent felt they were paying the same amount in claims, as shown in the figure below.

Replacement Protection - Paying More/Less/Same Under MTMC's Reengineered Program



Internal Processes. Questions 15 and 16 pertained to each company's standard operating procedures. Because "best value" contractors are the cornerstone of MTMC's pilot program, the contractors were asked about their internal processes for monitoring and improving their own performance to ensure that they remain a "best value" carrier. Although every contractor has their own standard operating procedures, there are several common practices among the contractors. Many contractors assign move managers or a single point of contact for the Service member during their move. They have some form of tracking system, which provides trends and daily reports. The contractors also have some form of review with senior management. Many contractors conduct customer satisfaction surveys, which are used to provide feedback to their subcontractors/local agents and internal management. The contractors were also asked to explain what processes they have established for monitoring and paying claims. The internal processes for establishing claims are very similar to the processes to monitor and improve performance. Many companies have established a single point of contact. There is also reports and feedback to upper management.

Training. Questions 17 and 18 asked about training on PTOPS and the pilot program business rules. Specifically, the survey asked if the contractors felt that the training they received on PTOPS enabled them to successfully perform the necessary pilot program

business processes. Seventeen out of 22 respondents (77%) felt that the training was adequate. A common theme among the negative responses was that there should have been follow-up training, which included interactive, real world situations. Several respondents also felt that the training should be more widely available at regional locations. Another suggestion was that as system changes are occurring, the training workbook should be updated and distributed. Twenty-two out of 23 respondents (96%) trained their subcontractors/agents on PTOPS and the pilot business rules. However, most companies stipulated that they only provided training on the pilot business rules because only the corporate headquarters are using PTOPS.

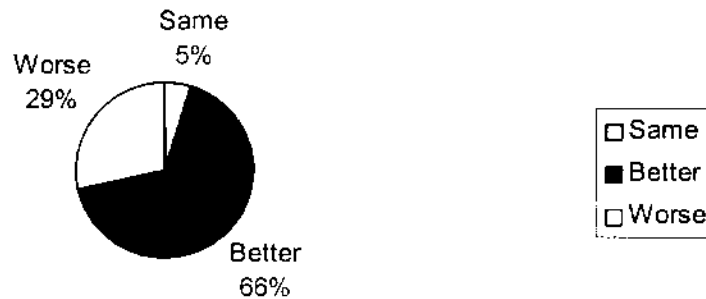
Recommendations for Improvement. The final two questions on the survey, 19 and 20, asked the contractors for recommendations and their impression of the pilot program. Contractors had many recommendations for how the program could be improved. These recommendations are presented below.

- Ease reporting requirements for PTOPS.
- Substantially more training needed for destination base personnel.
- Review the audit process.
- Mandate a maximum timeframe for shippers to sign and return task orders, so carriers can bill in a timely fashion.
- Eliminate original task orders/weight tickets requirement for payment processing.
- Eliminate shipments less than 2000 pounds.
- Extend acceptance of shipments from 2 hours to 24 hours.
- Expand entry of all PTOPS completed activities to 7 days after events.
- Reexamine the small business set aside.
- Provide enhancements to PTOPS immediately to reduce transaction times, improve reliability and provide reporting capabilities for contractors.
- Adopt a working group culture for program improvements.
- Allow contractors to respond to negative survey results.
- Give contractors access to certain PTOPS fields for download purposes.
- Review the connection between the government system and the internet.
- Continue the pilot program for the next three years and compare the member satisfaction.
- Provide the ability to update shipment information after delivery.
- Counseling at the PPSO level needs to better prepare the member of what to expect and what their responsibilities are in the move process.
- Contractor evaluations should be by channel, on a base or state wide basis, not by an overall program score.
- Contracting officers must be responsive to rebuttal letters.
- The PTOPS software must be simplified by requiring fewer numbers of input steps and allow the contractor chances to correct input errors.
- We highly recommend that MTMC re-evaluate the whole Task Order and ASAN process to streamline it and make approvals easier.
- Contractors should continue to provide training to their agents and employees as to program requirements and processes.

- The paperwork involved in the pilot move should be streamlined to be more commercial-like.
- Make sure it is funded properly and that key staff are not reassigned.
- Let the contractors have a copy of the PPSO PTOPS programs so we can learn them and offer help to the destination PPSOs when they are having difficulty.
- Allow the use of copies for billing purposes.
- Help desk should work directly with PPSOs instead of putting contractors in the middle of how to correct things in PTOPS.
- There should not be one overall rating for the contractor.
- Comment area for contractors.
- Removal of CDCs.
- Better explanation of audit/billing service parameters and authority, and obligations under contractor.
- We would like to see more commercial-like practices used in the pilot program.
- Need to improve procedure when trying to contact member for counseling and pre-move survey.
- Allow contractor to submit written customer evaluations to Parsifal.
- Immediately implement a program that a contractor must be evaluated on a minimum of at least 5 shipments before the contractor performance data is published.
- Revisit the violations for computer generated entries where it is obviously not the contractor's fault or beyond the contractor's control.
- Evaluation system needs to be reconstructed so after a specific period of time, oldest evaluation scores are dropped.
- After the initial award there is no provision for increasing or decreasing your participation. If you perform well you should be allowed to increase your active areas. If you are having trouble you should be able to decrease your areas to a level you can handle.

Question 20 asked the contractor whether overall they would rate the pilot program better than, the same as, or worse than the current program. Sixty-six percent of the respondents felt that the pilot program was better than the current program. Five percent felt that the pilot program was the same and twenty-nine percent felt that the pilot program was worse than the current program. The results are depicted in the figure below.

**Surveyed Contractors' Overall Impression of
MTMC's Reengineered Program**



Conclusions

The survey shows that although most contractors are not experiencing efficiencies with the pilot program, they do feel that the pilot program is better than the current program for the Service member. Because the program is still within its first year, it is still developing. With more training for both contractors and PPSOs on the program, and more communication between the contractors and other affected parties, the program should experience more improvements that are beneficial to both the contractors and the government.

**Appendix A
Contractor Survey**

The purpose of this survey is to gather processing information from the contractors involved in MTMC's reengineering personal property program. This information will be used by PricewaterhouseCoopers and MTMC for possible incorporation into MTMC's final report to Congress and in PricewaterhouseCoopers' functional economic analysis. Specific responses will not be shared with other contractors. Your input is vital to ensure accurate data from all sources used in the analyses. Should you have any questions please direct them to Ms. Amy Coffee at (703) 322-5771. Please complete and return this survey by **October 29, 1999**. Upon completion, fax the survey to (703) 322-3810 (ATTN: Amy Coffee). Thank you.

General Information:

Company's Name: _____

Point of Contact (POC): _____

POC Phone Number: _____

POC Fax Number: _____

POC Email Address (if applicable): _____

Efficiencies Under the Pilot Program:

1. What aspects of your operation have been streamlined under the pilot program? *(Use Additional Paper if Necessary)* _____

If the program was implemented globally, which additional areas do you expect to be streamlined? _____

Do you expect an increase or decrease in your overhead process costs per shipment if this pilot program were implemented in lieu of the current personal property program? _____

What percentage of increase or decrease do you expect? _____

2. Do you feel that moving from government bills of lading to task orders has streamlined your process?

Please circle your answer: Yes No

3. Since the program is now under the FAR process with longer termed contracts, do you feel that you are saving time by not having to submit rates semi-annually?

Please circle your answer: Yes No

PTOPS:

1. Do you feel that PTOPS is an effective system for processing personal property moves?

Please circle your answer: Yes No

2. Do you feel that the request for additional services are processed in a timely manner by the **origin** PPSOs?

Please circle your answer: Yes No

3. Do you feel that the request for additional services are processed in a timely manner by the **destination** PPSOs?

Please circle your answer: Yes No

Contractor Quarterly Meetings:

1. Do you feel that the contractor quarterly meetings with HQMTMC personnel are effective?

Please circle your answer: Yes No

If the meetings are not effective, how could they be improved? _____

Corporate Business Practices:

1. Do you feel that providing a toll-free telephone number is valuable to the service member and PPSO?

Please circle your answer: Yes No

2. Do you feel that having direct contact with the service member makes the move more efficient?

Please circle your answer: Yes No

3. Have you paid any inconvenience claims under the pilot program?

Please circle your answer: Yes No

If yes, how many have you paid? _____

4. Have you denied any inconvenience claims under the pilot program?

Please circle your answer: Yes No

If yes, how many have you denied? _____

5. In the pilot program, under certain circumstances as specified in Attachment 4, Paragraph 2 of the PWS, the contractor is responsible for storage. Have you had to pay for any storage under these circumstances?

Please circle your answer: Yes No

If so, how many times have you had to pay for storage? _____

6. Do you feel that settling claims directly with the service member is more streamlined?

Please circle your answer: Yes No

7. Since the pilot program offers full replacement protection to the service member, do you find that you are paying more, less, or the same amount of money in claims under the pilot program? _____
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Internal Processes:

1. What processes do you have for monitoring and improving your own performance to ensure that you remain a "best value" carrier? _____
2. What processes do you have for monitoring and paying claims? _____
-

Training:

1. Did the PTOPS contractor training enable you to successfully perform the necessary pilot program business processes?

Please circle your answer: Yes No

If the training was not adequate, what could have been done differently to make the training better? _____

2. Did you train your subcontractors/agents on PTOPS and the pilot business rules?

Please circle your answer: Yes No

If not, why? _____

Recommendations:

1. What recommendations do you have for improving the pilot program? _____
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2. Overall, from your perspective, would you rate the pilot program better than, the same as, or worse than the current program? _____
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